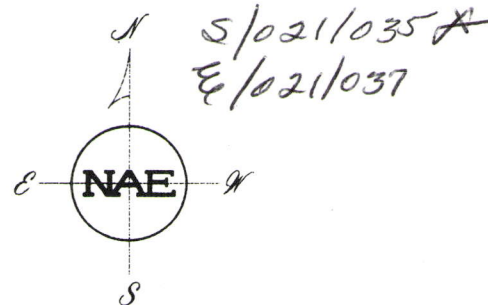


NORTH AMERICAN EXPLORATION, INC.

GEOLOGY GEOPHYSICS GEOCHEMISTRY ENVIRONMENTAL SERVICES



July 30, 2004

Mr. Doug Jensen
Utah Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Doug
Dear Mr. Jensen,

Reference is made to your letter of May 20, 2004 to Anasazi Gold Reserves as to "Deficient Notice of Intention to Commence Small Mining Operations, Anasazi Gold Reserves, Highland Mist Mine, S/21/035, Beaver County, Utah". We also received a deficiency notice May 21, 2004 in regards to a nearby exploration permit E/021/037.

We understand that an archaeological survey must be conducted of the mine and exploration area and that a reclamation surety bond of \$14,000 is required before mining can start and a bond of \$5000 is required before exploration can start. We acknowledged your request to have this work completed by June 21, 2004 and asked for an extension until August 1, 2004, which was granted.

The funds required to do the archaeology survey and reclamation bond are very high. We are also looking at claim fees and lease rentals which are soon due. As you know reclamation bonds are just about impossible to get. Anasazi is a small company and is unable to raise the required money at this time. We ask for an additional extension of 2 months until October 1, 2004, in order to remedy the deficiencies in our application.

Thank you in advance for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jay", is written over the printed name.

O. Jay Gatten
Consulting Geologist

RECEIVED

AUG 02 2004

OJG/jbw

cc: correspondence
project
Michael Terry - Anasazi

DIV. OF OIL, GAS & MINING